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[REDACTED]

**STATE OF WISCONSIN**  
**Division of Hearings and Appeals**

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In the Matter of

Milwaukee Enrollment Services, Petitioner

DECISION

v.

FOF/164262

[REDACTED] Respondent

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**PRELIMINARY RECITALS**

Pursuant to a petition filed February 26, 2015, under Wis. Admin. Code §HA 3.03, and see, 7 C.F.R. § 273.16, to review a decision by the Milwaukee Enrollment Services in regard to FoodShare benefits, a hearing was held on April 14, 2015, at Milwaukee, Wisconsin.

The issue for determination is whether the respondent committed an Intentional Program Violation (IPV).

There appeared at that time and place the following persons:

**PARTIES IN INTEREST:**

Petitioner:

Department of Health Services  
Division of Health Care Access and Accountability  
1 West Wilson Street, Room 651  
Madison, Wisconsin 53703

By: Pamela Hazley, HSPC Sr.  
Milwaukee Enrollment Services  
1220 W. Vliet St., Room 106  
Milwaukee, WI 53205

Respondent:

[REDACTED]  
[REDACTED]  
[REDACTED]

**ADMINISTRATIVE LAW JUDGE:**

Mayumi M. Ishii  
Division of Hearings and Appeals

**FINDINGS OF FACT**

1. Respondent (CARES # [REDACTED]) FoodShare benefits from April 2014 through October 2014. (Exhibit 3)
2. On September 30, 2013, Milwaukee Enrollment Services (the agency) received an on-line Six Month Report Form (SMRF) from the Respondent. (Exhibit 4)

3. On November 26, 2013, the agency sent the Respondent an Eligibility and Benefits Booklet, advising him of the penalties for violating the rules of the FoodShare program and which advised him of the need to report when he moves out of state. (Exhibits 13 and 14)
4. On November 25, 2013, the Respondent contacted the agency to inquire about verifications that he submitted. The Respondent had submitted a copy of his driver's license as verification that he was living in Wisconsin. Because the Respondent's verification was late, the agency worker completed a new program request for the Respondent. (Exhibit 4)
5. Between January 15, 2014 and April 14, 2014, the Respondent worked for a [REDACTED] and reported an address in [REDACTED] to his employer. (Exhibit 6)
6. On May 4, 2014, the Respondent completed an on-line ACCESS SMRF, which the agency processed on May 5, 2014. In his SMRF, the Respondent indicated that he lived at an address in Milwaukee, Wisconsin. The Respondent electronically signed the SMRF indicating that the information was correct and complete. (Exhibits 4 and 7)
7. Sometime between August 2014 and November 20, 2014, the Respondent worked for a [REDACTED] and reported an address in [REDACTED] (Exhibit 9)
8. Between July 2, 2013 and November 18, 2014, the Respondent's EBT card was used almost exclusively in the state of [REDACTED], and primarily in [REDACTED], [REDACTED] (Exhibits 11 and 12)
9. On March 3, 2015, the agency prepared an Administrative Disqualification Hearing Notice, asserting that the Respondent committed an intentional program violation by providing false information regarding his residence between April 2014 and October 2014. (Exhibit 18)

### DISCUSSION

#### *Respondent's Non-appearance*

The Respondent did not appear for this hearing. This circumstance is governed by the regulation in 7 C.F.R. §273.16(e)(4), which states in part:

If the household member or its representative cannot be located or fails to appear at a hearing initiated by the State agency without good cause, the hearing shall be conducted without the household member being represented. *Even though the household member is not represented, the hearing official is required to carefully consider the evidence and determine if intentional Program violation was committed based on clear and convincing evidence.* If the household member is found to have committed an intentional program violation but a hearing official later determines that the household member or representative had good cause for not appearing, the previous decision shall no longer remain valid and the State agency shall conduct a new hearing. The hearing official who originally ruled on the case may conduct a new hearing. In instances where the good cause for failure to appear is based upon a showing of nonreceipt of the hearing notice, the household member has 30 days after the date of the written notice of the hearing decision to claim good cause for failure to appear. In all other instances, *the household member has 10 days from the date of the scheduled hearing to present reasons indicating a good cause for failure to appear. A hearing official must enter the good cause decision into the record.*

*Emphasis added*

The hearing in this case took place on April 14, 2015. The Respondent was advised of the date and time of the hearing, in an Administrative Disqualification Hearing Notice that was sent to him at addresses in [REDACTED] and [REDACTED]. The Respondent was also advised that he could appear by phone and to contact the agency or the Division of Hearings and Appeals, if he so desired.

Ms. Hazley testified that there is no record of any returned mail. The Respondent did not contact the Division of Hearings and Appeals and he did not contact the agency to request to appear by phone. The Respondent did not appear at the hearing and the Respondent did not contact the Division of Hearings and Appeals within 10

days to explain his failure to appear. As such, it is found that the Respondent did not have good cause for his non-appearance.

*What is an Intentional Program Violation?*

7 C.F.R. §273.16(c) states that Intentional Program Violations “shall consist of having intentionally: 1) Made a false or misleading statement or misrepresented facts; or 2) Committed an act that constitutes a violation of the Food Stamp Act, the Food Stamp Program Regulations, or any State statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of coupons, authorization card or any other reusable documents used as part of an automated delivery system (access device).”

The Department’s written policy restates federal law, below:

**3.14.1 IPV Disqualification**

7 CFR 273.16

A person commits an Intentional Program Violation (IPV) when s/he intentionally:

1. makes a false or misleading statement, or misrepresents, conceals or withholds facts; or
2. commits any act that constitutes a violation of the Food Stamp Act, the Food Stamp Program Regulations, or any Wisconsin statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of FoodShare benefits or QUEST cards.

An IPV may be determined by the following means:

1. Federal, state, or local court order,
2. Administrative Disqualification Hearing (ADH) decision,
3. Pre-charge or pretrial diversion agreement initiated by a local district attorney and signed by the FoodShare recipient in accordance with federal requirements, or
4. Waiver of the right to an ADH signed by the FoodShare recipient in accordance with federal requirements.

*FoodShare Wisconsin Handbook, §3.14.1.*

The agency may disqualify only the individual who either has been found to have committed the IPV or has signed a waiver or consent agreement, and not the entire household. If disqualified, an individual will be ineligible to participate in the FS program for one year for the first violation, two years for the second violation, and permanently for the third violation. However, any remaining household members must agree to make restitution within 30 days of the date of mailing a written demand letter, or their monthly allotment will be reduced. 7 C.F.R. §273.16(b).

*What is OIG’s burden of Proof?*

In order for the agency to establish that a FoodShare recipient has committed an IPV, it has the burden to prove two separate elements by clear and convincing evidence. The recipient must have: 1) committed; and 2) intended to commit an intentional program violation per 7 C.F.R. §273.16(e)(6).

"Clear and convincing evidence" is an intermediate standard of proof which is more than the "preponderance of the evidence"(a.k.a. “more likely than not”) used in most civil cases and less than the "beyond a reasonable doubt" standard used in criminal cases.

In Kuehn v. Kuehn, 11 Wis.2d 15, 26 (1959), the court held that:

Defined in terms of quantity of proof, reasonable certitude or reasonable certainty in ordinary civil cases may be attained by or be based on a mere or fair preponderance of the evidence. Such certainty need not necessarily exclude the probability that the contrary conclusion may be true. In fraud cases it has been stated the preponderance of the evidence should be clear and satisfactory to indicate or sustain a greater degree of certitude. Such degree of certitude has also been defined as being produced by clear, satisfactory, and convincing evidence. Such evidence, however, need not eliminate a reasonable doubt that the alternative or

opposite conclusion may be true. In criminal cases, while not normally stated in terms of preponderance, the necessary certitude is universally stated as being beyond a reasonable doubt.

*Wisconsin Jury Instruction – Civil 205* is also instructive. It provides:

Clear, satisfactory and convincing evidence is evidence which when weighed against that opposed to it clearly has more convincing power. It is evidence which satisfies and convinces you that “yes” should be the answer because of its greater weight and clear convincing power. “Reasonable certainty” means that you are persuaded based upon a rational consideration of the evidence. Absolute certainty is not required, but a guess is not enough to meet the burden of proof. This burden of proof is known as the “middle burden.” The evidence required to meet this burden of proof must be more convincing than merely the greater weight of the credible evidence but may be less than beyond a reasonable doubt.

Further, the *McCormick* treatise states that “it has been persuasively suggested that [the clear and convincing evidence standard of proof] could be more simply and intelligibly translated to the jury if they were instructed that they must be persuaded that the truth of the contention is highly probable.” 2 *McCormick on Evidence* § 340 (John W. Strong gen. ed., 4<sup>th</sup> ed. 1992).

Thus, in order to find that an IPV was committed, the trier of fact must derive from the evidence, a firm conviction as to the existence of each of the two elements even though there may exist a reasonable doubt that the elements have been shown.

#### *The Merits of OIG’s Case*

In the case at hand, the Office of the Inspector General (OIG) asserts that the Respondent violated the rules of the FoodShare Program by lying about his residence between April 2014 and October 2014.

“A household shall live in the State in which it files an application for participation” in the food stamp program. 7 *CFR* §273.3(a)

It is clear from the case comments and the Respondent’s May 2014 SMRF, that he reported living in Wisconsin and that he received FoodShare benefits based, in part, upon that information. However, the Respondent’s EBT card was used exclusively in [REDACTED] during the time in question, primarily in [REDACTED]. Further, during the time in question, the Respondent told his employer that his residence was in [REDACTED].

While this does pose the question of how the Respondent could be living in [REDACTED], but still using his benefits in [REDACTED], the fact remains that the Respondent was reporting a residence outside Wisconsin and never used his benefits in Wisconsin.

Based upon the foregoing, it is found that the Respondent provided false information by claiming to be a Wisconsin resident when, in fact, he lived outside the state.

There is a general rule that a person is presumed to know and intend the probable and natural consequences of his or her own voluntary words or acts. See *John F. Jelke Co. v. Beck*, 208 Wis. 650 (1932); 31A C.J.S. Evidence §131. Intention is a subjective state of mind to be determined upon all the facts. *Lecus v. American Mut. Ins. Co. of Boston*, 81 Wis.2d 183 (1977). There is nothing in the record to rebut the presumption that the Respondent intentionally lied about his residence, in order to obtain FoodShare benefits that he was not entitled to receive.

### CONCLUSIONS OF LAW

Contrary to 7 *CFR* §273.3(a) and 7 *CFR* 273.16, the Respondent committed an intentional program violation between April 2014 and October 2014, by providing false information about his residence in order to obtain FoodShare benefits that he was not entitled to receive in Wisconsin. This is the first such violation.

**THEREFORE, it is**

### ORDERED

That the IPV for case number [REDACTED] is sustained and that the Respondent is hereby ineligible to participate in the FoodShare program for a period of one year, effective the first of the month following the date of this decision.

### **REQUEST FOR A REHEARING ON GROUNDS OF GOOD CAUSE FOR FAILURE TO APPEAR**

In instances where the good cause for failure to appear is based upon a showing of non-receipt of the hearing notice, the respondent has 30 days after the date of the written notice of the hearing decision to claim good cause for failure to appear. See 7 C.F.R. sec. 273.16(e)(4). Such a claim should be made in writing to the Division of Hearings and Appeals, P.O. Box 7875, Madison, WI 53707-7875.

### **APPEAL TO COURT**

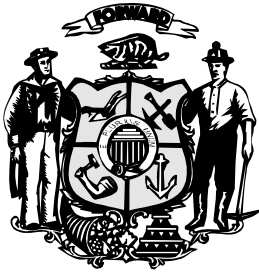
You may also appeal this decision to Circuit Court in the county where you live. Appeals must be filed with the Court **and** served either personally or by certified mail on the Secretary of the Department of Health Services, 1 West Wilson Street, Room 651, Madison, WI 53703, **and** on those identified in this decision as "PARTIES IN INTEREST" **no more than 30 days after the date of this decision** or 30 days after a denial of a timely rehearing request (if you request one).

The process for Circuit Court Appeals may be found at Wis. Stat. §§ 227.52 and 227.53. A copy of the statutes may be found online or at your local library or courthouse.

Given under my hand at the City of Milwaukee,  
Wisconsin, this 27th day of April, 2015.

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\sMayumi M. Ishii  
Administrative Law Judge  
Division of Hearings and Appeals



**State of Wisconsin\DIVISION OF HEARINGS AND APPEALS**

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The preceding decision was sent to the following parties on April 27, 2015.

Milwaukee Enrollment Services  
Public Assistance Collection Unit  
Division of Health Care Access and Accountability  
[Pamela.Hazley@dhs.wisconsin.gov](mailto:Pamela.Hazley@dhs.wisconsin.gov)